

# City Service Area Community & Economic Development

## UNDERGROUNDING PROJECT



Before Undergrounding



After Undergrounding

***Mission:*** To manage the growth and change of the City of San José in order to encourage a strong economy, ensure a diverse range of arts, cultural and entertainment offerings, and create and preserve healthy neighborhoods.

The Developer Assisted Projects Capital Program reimburses developers for the construction of street improvements throughout the City and encourages the undergrounding of existing overhead utilities. As part of the Community and Economic Development City Service Area, the major objective of the capital program is to ensure that residential developments within San José include the construction of public improvements necessary to maintain or improve the infrastructure of the City.

Developers who construct residential dwelling units pay contributions to the Residential Construction Tax Contribution Fund. In turn, payments from the fund are made to developers who construct eligible improvements on major City streets in connection with new residential developments.

Underground Utility Districts are established using fees collected from developers. Undergrounding projects are prioritized within a five-year plan based on several criteria, the largest of which is the amount of fees collected within the proposed Underground District. Other criteria include whether or not the underground work can be coordinated with other capital improvement work such as street widening, and equity in the amount of undergrounding proposed among City Council Districts.

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## CSA CAPITAL PROGRAMS

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- Developer Assisted Projects Capital Program

# City Service Area Community & Economic Development

## Recent Accomplishments

- Completed construction on Guadalupe Gardens Underground Utility Districts Phase I (Rule 20A project) in December 2007.
- Started construction on Guadalupe Gardens Underground Utility Districts Phase II (Rule 20A project) in January 2008.
- Completed Saratoga Avenue Underground Utility District (Rule 20B) in May 2007.
- PG&E and participating utility companies (AT&T and Comcast) agreed to accelerate Rule 20A projects in the five-year workplan to be completed in three years.
- PG&E agreed to use Rule 20A funding to place facilities in underground utility vaults, rather than in above ground cabinets.
- Completed construction of a new center strip pavement and a landscaped median island on Flickinger Avenue in May 2007.

## Program Highlights

### Developer Assisted Projects

#### Capital Program

2009-2013 Adopted CIP: \$12.9 million

#### *Undergrounding Projects – Rule 20A*

- Guadalupe Gardens Phase II undergrounding project: currently in construction.
- Park/Naglee, Naglee to Shasta, and Park to Bascom, Underground Utility District: established in March 2006, currently in design, scheduled for construction in September 2008.
- Market/Almaden, includes Reed, Pierce, William, Balbach and Viola, Underground Utility District: established in June 2006, currently in design and scheduled for construction in August 2008.

#### *Undergrounding Projects – Rule 20B*

- Jackson/Taylor, 4<sup>th</sup> to 9<sup>th</sup> Street, proposed Underground Utility Districts (combination Rule 20A and Rule 20B project): established in November 2005, currently in design and scheduled for construction in September 2008.
- Saratoga Avenue Underground Utility District: completed in May 2007.

#### *Street Improvements*

- Flickinger Avenue median island and center strip paving: completed construction in May 2007.
- Several street improvements including median island landscaping and center strip paving as part of the Communications Hill and Dairy Hill developments are nearing completion of construction. Most of these improvements are slated for completion in early 2008-2009.

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## CSA OUTCOMES

(Supported by the Capital Program)

- ✓ Safe, Healthy, Attractive and Vital Community

# City Service Area Community & Economic Development

## Performance Measures

A set of consistent and comprehensive performance measurements along with targets and goals have been established for the entire capital program and adopted for each individual CSA. Measures have been established for four key areas: schedule (cycle time), cost, quality, and customer satisfaction. Please see the Budget Guide section narrative for additional information on capital projects performance measurements.

### *Outcome: Quality CIP Projects Delivered On-Time and On-Budget*

5 Year Strategic Goals		2009-2013 5-yr Goal	2007-2008 1-yr Target	2007-2008 Estimate	2008-2009 1-yr Target	2009-2010 2-yr Target
Community and Economic Development CSA delivers quality Capital Improvement Program (CIP) projects on-time and on-budget	1. % of CIP projects delivered* within 2 months of approved baseline schedule	85%	85%	88% (7/8)	85%	85%
	2. % of CIP projects that are completed** within the approved baseline budget	90%	90%	100% (1/1)	90%	90%
	3. % of operations and maintenance divisions rating new or rehabilitated capital facilities as being functional and sustainable after first year of use	80%	80%	***	80%	80%
	4. % of customers rating new or rehabilitated CIP projects as meeting established goals (4 or better based on a scale of 1-5)	85%	85%	***	85%	85%

*Changes to Performance Measures from 2007-2008 Adopted Budget: No*

\* Projects are considered to be "delivered" when they are available for their intended use.

\*\* Projects are considered to be "completed" when final cost accounting has occurred and the project has been accepted.

\*\*\* Survey results are not available at this time.

In 2007-2008, the Community and Economic Development CSA delivered an estimated seven of eight (88%) projects within two months of the approved baseline schedule, which is slightly above the one-year performance target of 85%. The seven projects that were delivered "on-time" were Public Art projects, which are included as part of the discussion for the Community and Economic Development CSA. The Guadalupe Gardens City Facilities Service Conversions project had an "extended" schedule due to longer than expected coordination with PG&E during the construction phase of the project.

For the on-budget performance measurement, one project was accepted during 2007-2008. The Rule 20B Undergrounding District – Saratoga: I-280 to Kiely project was completed within the baseline budget.

# *City Service Area* **Community & Economic Development**

## **Performance Measures (Cont'd.)**

Prior to 2006-2007, completed projects in this CSA did not involve City operations and maintenance or public customers to rate on the final products. Therefore, operations, maintenance and customer satisfaction surveys were not conducted in this CSA. However, with the addition of Public Art projects beginning in 2006-2007, this CSA will explore the possibility of conducting surveys on select Public Art projects where seeking input from City maintenance staff and/or public customers may be appropriate.

## Capital Program Summary by City Service Area

# Community and Economic Development

	2008-2009 Budget	2009-2013 CIP Budget	Total Budget (All Years)	Start Date	End Date
<b><u>Developer Assisted</u></b>					
<b><u>Projects Capital Program</u></b>					
PG&E/Private Electrical Service Panel Conversion Reimbursement	45,000	45,000	*	Ongoing	Ongoing
Public Works Capital Management Costs	91,000	465,000	*	Ongoing	Ongoing
Reimbursement to Developers for Center Strip Paving	328,000	528,000	*	Ongoing	Ongoing
Reimbursement to Developers for Landscaping	664,000	864,000	*	Ongoing	Ongoing
Residential Program Administration	100,000	551,000	*	Ongoing	Ongoing
Street Improvements for New Development	50,000	250,000	*	Ongoing	Ongoing
Transfer to the City Hall Debt Service Fund	26,000	130,000	*	Ongoing	Ongoing
Underground Utility Administration (20A)	350,000	1,600,000	*	Ongoing	Ongoing
Underground Utility Administration (20B)	135,000	725,000	*	Ongoing	Ongoing
Underground Utility Program (20B)	1,100,000	7,100,000	*	Ongoing	Ongoing
<b>Total: Construction/Non-Construction</b>	<b>2,889,000</b>	<b>12,258,000</b>			
Ending Fund Balance	2,872,331	683,331	**		
<b>Total: Developer Assisted Projects Capital Program</b>	<b>5,761,331</b>	<b>12,941,331</b>	**		
 <b>CSA Total: Construction/Non-Construction</b>	 <b>2,889,000</b>	 <b>12,258,000</b>	 **		
Ending Fund Balance	2,872,331	683,331	**		
<b>CSA Total:</b>	<b>5,761,331</b>	<b>12,941,331</b>	<b>**</b>		

\* Total Budget information is not provided due to the ongoing nature of this project.

\*\*The 2008-2009 through 2011-2012 Ending Balances are excluded from the FIVE-YEAR TOTAL USE OF FUNDS to avoid multiple counting of same funds.